

DIRECT TESTIMONY OF
DANIEL F. KASSIS, P.E.
ON BEHALF OF
DOMINION ENERGY SOUTH CAROLINA, INC.
DOCKET NO. 2019-212-E

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **OCCUPATION.**

3 A. My name is Daniel (“Danny”) F. Kassis. My business address is 2392 West
4 Aviation Avenue, North Charleston, South Carolina 29406. I am the General
5 Manager of Strategic Partnerships & Renewable Energy for Dominion Energy
6 South Carolina, Inc. (“DESC”). My responsibilities include developing DESC’s
7 strategy for deploying and utilizing renewable assets consistent with state policy in
8 the most efficient and beneficial manner to DESC’s customers. I oversee customer-
9 facing solar and all renewable energy initiatives for DESC and am also responsible
10 for negotiating and obtaining final approval for renewable energy purchase
11 contracts for DESC. I have signed all purchase contracts for DESC under the S.C.
12 Code Ann. § 58-39-110, et seq., of the Distributed Energy Resource Program Act
13 (“Act 236”), as well as numerous renewable resource power purchase agreements.
14 I was the principal designer of the DESC Community Solar program under Act 236
15 which fulfilled requirements for a program for certain types of customers.

16

1 **Q. BRIEFLY STATE YOUR EDUCATION, BACKGROUND, AND**
2 **EXPERIENCE.**

3 A. In 1984, while still a student, I began working for DESC, then South Carolina
4 Electric & Gas Company (“SCE&G”), as an Engineering Student Assistant.¹ In
5 1986, I received a Bachelor of Science degree in Mechanical Engineering from
6 Clemson University, and I am licensed in South Carolina as a Professional Engineer.
7 Upon graduation, I began working at the Charleston Naval Shipyard in the Navy’s
8 nuclear submarine program. In 1987, I rejoined SCE&G and served in various roles
9 in the Gas Department, eventually becoming the Manager of the Charleston
10 Division. In 1998, I was named as the District Manager for the Electric Department
11 in the Charleston District. In 2004, I was promoted to the position of General
12 Manager of Electric Service Coordination. In this position, I coordinated all of the
13 areas that supported the retail electric operations for SCE&G. In 2013, I was
14 promoted to the position of Vice President of Customer Service, and I became the
15 Vice President of Customer Relations and Renewables in 2014 with the addition of
16 renewable energy programs and energy efficiency programs under my
17 responsibility. Finally, just earlier this year, my title changed to General Manager
18 of Strategic Partnerships and Renewable Energy.

¹ In April of 2019, SCE&G changed its name to DESC.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE**
2 **COMMISSION OF SOUTH CAROLINA (THE “COMMISSION”)?**

3 A. Yes, I previously appeared before the Commission and testified in the
4 following dockets:

- 5 • Docket No. 2019-184-E (DESC’s prior avoided cost docket);
- 6 • Docket No. 2019-365-E (generic competitive procurement docket);
- 7 • Docket No. 2019-393-E (DESC’s Storage Tariff docket) (pre-filed
8 testimony); and
- 9 • Docket No. 2020-229-E (DESC’s Solar Choice Tariff docket).

10 In addition, I participated in a permissible ex-parte briefing regarding vegetation
11 management and undergrounding electric utility lines in ND-2020-27-E and
12 recently provided pre-filed direct and rebuttal testimony in DESC’s ongoing
13 avoided cost docket (Docket No. 2021-88-E).

14
15 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**
16 **DOCKET?**

17 A. The purpose of my direct testimony is to discuss DESC’s “Community Solar
18 program” distributed energy resource program that was approved by the
19 Commission in Order No. 2015-512. Specifically, I will discuss the Community
20 Solar requirements of Code Ann. § 58-41-40, et seq., of the South Carolina Energy
21 Freedom Act (“Act 62”). Additionally, I will explain DESC’s analysis of provisions
22 in Act 62 applicable to future Community Solar programs and the corresponding

1 restriction on cost-shifting thereunder. Currently, a successor Community Solar
2 program is not a viable option under Act 62 because of Act 62's prohibition on cost-
3 shifting. With this restriction, as discussed in greater detail below, there would have
4 to be additional changes in market conditions, including labor and material costs,
5 increased scale, and additional tax incentives—to provide a successor Community
6 Solar program.

7
8 **COMMUNITY SOLAR UNDER ACT 62**

9 **Q. PLEASE EXPLAIN HOW ACT 62 IMPACTS DESC'S COMMUNITY**
10 **SOLAR PROGRAM.**

11 A. Act 62 was passed by the South Carolina legislature and became effective on
12 May 16, 2019. According to the General Assembly's intent in S.C. Code Ann. §
13 58-41-40(A), Act 62 was intended to:

14 [E]xpand the opportunity to support solar energy and support access
15 to solar energy options for all South Carolinians, including those who
16 lack the income to afford the upfront investment in solar panels or
17 those who do not own their homes or have suitable rooftops.

18
19 This intent aligned precisely with DESC's goals when it created its Community
20 Solar program. Today, DESC continues to explore opportunities to offer solar
21 energy to its customers who do not want to alter their homes or could not alter their
22 homes by installing solar panels, or do not want to maintain or cannot afford to
23 maintain the solar panels.

1 However, through Act 62, the General Assembly recognized the need to
2 transition to a more mature market approach and departed from Act 236's intention
3 to incent or stimulate community solar adoption. Through this successor legislation,
4 the General Assembly specifically restricts DESC and other utilities from further
5 enacting cost-shifting mechanisms that were crucial in establishing the current
6 Community Solar program. Importantly, under S.C. Code Ann. § 58-41-30(C),
7 “[a]n electrical utility may not charge any nonparticipating customers for any costs
8 incurred” in offering services to participating customers pursuant to the community
9 solar provisions of Act 62. (emphasis added).

10
11 Q. **PLEASE EXPLAIN THE COSTS ASSOCIATED WITH THE CURRENT**
12 **COMMUNITY SOLAR PROGRAM.**

13 A. The costs of the existing Community Solar program are extensive. In 2020,
14 the incremental costs for Community Solar were approximately \$2.2 million. If the
15 Act 62 prohibition on cost shift applied to the existing Community Solar program,
16 this \$2.2 million annual cost would be spread across the existing 1,087 customers
17 as opposed to the entire customer base of DESC which totals approximately
18 767,000.

1 **Q. IS THE LANGUAGE REGARDING COST-SHIFTING IN ACT 62 AS TO**
2 **COMMUNITY SOLAR THE SAME AS WITH RESPECT TO SOLAR**
3 **CHOICE?**

4 A. No. The language of Act 62 with respect to Community Solar in S.C. Code
5 Ann. § 58-41-40(C) is clear and even more explicit:

6 Participating customers *shall* bear the burden of any reasonable and
7 prudent costs associated with participating in a neighborhood
8 community solar program; however, the commission shall
9 nonetheless promote access to solar energy projects for low and
10 moderate income customers. An electrical utility *may not* charge any
11 nonparticipating customers for any costs incurred pursuant to the
12 provisions of this section.

13 (emphasis added).

14 The language of Act 62 with respect to Solar Choice, however, under S.C. Code
15
16 Ann. § 58-40-20(G), directs the Commission to “eliminate any cost shift to the
17
18 greatest extent practicable on customers who do not have customer-sited generation
19
20 while also ensuring access to customer-generator options for customers who choose
21
22 to enroll in customer-generator programs.” As you can see, although the provisions
23
24 applicable to Solar Choice direct the Commission to eliminate cost shift “to the
25
26 greatest extent practicable,” the Community Solar provisions expressly prohibit *any*
cost shift.

25 **Q. WOULD AN EXPANSION OF THE COMMUNITY SOLAR PROGRAM**
26 **UNDER ACT 62 RESULT IN MORE PARTICIPATION?**

1 A. No. The cost-shifting restrictions within Act 62 restrict the growth potential
2 of the Community Solar program, particularly with respect to low-income
3 participants. As described in greater detail by Witness Furtick, even the Low-
4 Income program has low participation rates in its current, grandfathered, subsidized
5 state. Even without a monthly fee, the Low-Income program is not currently fully
6 subscribed. Expanding the Community Solar program, but significantly increasing
7 the costs paid by customers, will not encourage more participation given that the
8 existing reduced-cost structure is still not currently fully utilized. In short, the
9 prohibition on cost-shifting under Act 62 would lead to little demand even among
10 low-income constituents. Legislative change in the form of tax credits or rate
11 designs, or other financial incentives, is necessary to allow and expand this
12 renewable energy offering.

13
14 **Q. DOES DESC BELIEVE IT HAS COMPLIED WITH ACT 236 AND ACT 62**
15 **WITH RESPECT TO COMMUNITY SOLAR?**

16 A. Yes, as outlined in greater detail in DESC's Application submitted in this
17 docket on April 15, 2021.

18
19 **Q. DOES DESC REMAIN COMMITTED TO THE COMMUNITY SOLAR**
20 **PROGRAM AND RENEWABLE ENERGY SOLUTIONS?**

1 A. Absolutely. DESC has over 1,000 MWs of renewable generation on its
2 system and it is exploring ways right now to add more renewable energy and
3 enhance delivery of that clean energy. DESC is committed to growing renewable
4 energy that it will deliver to its customers. DESC is committed to serious carbon
5 reduction. However, from this point on, it becomes increasingly more difficult and
6 complex to increase renewable energy in a cost-effective manner that does not
7 reduce or hinder reliability. That is not to say it cannot be done. However, there
8 must be meaningful consideration of proposals to add renewable assets, employ
9 other measures to reduce carbon, and enhance efficiency—all without sacrificing or
10 compromising reliability.

11 DESC remains committed to expanding renewable energy options to all of
12 its customers and encouraging access to low- and moderate-income customers
13 within the bounds of existing law. In the event that avenues to access are expanded
14 through legislative changes, rate changes, aggressive drops in labor and material
15 costs, additional tax incentives, or other program models, DESC looks forward to
16 being an invested participant in that process with the Commission, developers, and
17 Community Action Agencies.

18
19 **CONCLUSION**

20 **Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

21 A. Yes.